Crisis Response Strategy and Its Impact on Halal Organization Image and the Boycotting Intention

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Abstract: The Halal industry has attracted world attention since the public starts to put their concern about the importance of consuming halal food not only because of religious obligation but also to their health. However, the emergence of issues and scandals related to Halal products has shaken the confidence of the public, consequently, even with one Halal issue, it can quickly explode into a severe crisis on a global scale. In Malaysia, Halal food crises has become a vital controversy among Halal consumers with organizations has been doubted to sell non-Halal food products. Hence, when it occurs, the potential of damaging the organization’s image and initiate the intention of boycotting the organization is increase. Therefore, using appropriate crisis response strategies is crucial to manage the outcomes of this crisis. This article conceptually discusses the crucial of applying certain crisis response strategies to effectively manage the image and intention of boycotting the organization. This article also conceptually proposed the religious characteristics to moderate the relationship between organization crisis responsibility and crisis response strategy on the outcomes of the Halal food crisis and the crisis response strategy to mediate the relationship between the organization crisis responsibility and the outcomes of the Halal food crisis.

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1. Introduction

In recent times, the Halal industry has gained popularity all over the world when consumers want to acquire Halal products due to the assurance that the food preparation and final
product are safe and hygienic to consume. (Yusuf, Abdul Shukor, & Ahmad Bustamam, 2016). For a product to be labelled as Halal, it must undergo extensive testing and admission, and it cannot contain pork or alcohol, and the livestock must be slaughtered according to Islamic Shariah law (Abd Rahman, Asraraghghighi, & Ab Rahman, 2015).

Therefore, concern on the integrity of halal products and the condition of the product being unquestionably halal is increase nowadays and these issues are more likely to occur than before (Tieman, 2017). Research done by Mohamed and Mohd Daud (2012) found that, halal credence issues would affect consumer and firm values, consumer trust and equity, which can result in inherent unpredictability. In addition, with the emergence of modern technology, particularly the internet, news regarding some practices especially bad practices by the firms spread very fast thus will grow consumers’ scepticism on halal products (Abdul et al., 2009).

Prior to this, Tieman (2017) found that, recent years, public confidence on Halal products has decrease due to the numbers of Halal scandals and problems that occur to the well-known brand. This situation has caused the global crisis since Halal element associated with the food make this become more complicated to handle as it involves the religious issues (Jaques, 2015). Therefore, there are various negatives impacts can be seen when the halal food harm crisis occurs such as the damage on image and reputation of the organization (Tieman, 2015). Hence, it is very crucial to further explored how to manage halal crisis to protect organization from the negative outcomes of the crisis since according to Krishnamoorthy (2013), as the crisis unfolds, the public will be captivated to watch and react to the crisis through publicity by the media, and this will indirectly impact the organization's image and reputation, sales, or profit.

Thus, to manage halal food harm crisis, it’s very crucial for the organization to identify suitable crisis response strategy specifically for Halal crisis type, since according to past study, a lot of organizations are often failed to practice the recommendations offered (Holladay, 2009).

Although Coombs and Holladay (1996) has developed the Situational Crisis Communication Theory (SCCT) that has proper guided on matched crisis response strategies to the types of crisis, and has been continuously implemented by the researchers to manage an organization's image and reputation, it has been seen that, when the crisis type is related to product recalls and product harm crises, there is still room for improvement as the strategies suggested is still vaguely address the issues, hence corrective action response strategies only suggested by past studies will not be adequate to manage the outcome of this crisis type (Coombs & Holladay, 2002). Therefore, researchers recommended for more research to be carried out to
identify the crisis response strategies to use in combination with the requisite corrective action.

To protect the organization’s image and reputation and negative outcomes of the crisis, SCCT has also emphasized on the emergence of relationship between the concepts of crisis responsibility and crisis response strategy in which determined based on stakeholder perceptions (Coombs, 2007b). However, it has been found that past research on SCCT neglected the importance of understanding who the organization stakeholder (consumer) is since most of the past researchers have overlooked on the stakeholder segmentation (background) to be investigated that can influence their perception on certain crisis type especially halal food crisis. Study done by Abdul et al., (2009) showed that, ethnic background and religion influence consumer perception on halal issues. In addition, Fam, et al. (2004) in their study emphasized on the importance of religion that cannot be dismiss by the organization as a short-term change, but rather it is a long-term phenomenon, and should be an area of further research for the organization.

Hence, relationship between the attribution of crisis responsibility on organization and the acceptance of crisis response strategy by the public should be further investigated based on the influence of intensifying factor of stakeholder background (religion) in specific crisis type (halal food harm crisis). This is because, very limited of past studies focus on these elements and past studies only focus on the elements of crisis type as the general and evaluating intensifying factor in the situation that involve crisis history and prior reputation (Coombs & Holladay, 2008; Coombs, 2015; Kiambi & Shafer, 2015), stakeholder relationship (Park & Reber, 2011) and messages resources (Roh, 2017).

SCCT also states that crisis will produce the outcomes of image and reputation damage, emotion (anger and word of mouth), purchase intention and stock price (Coombs, 2015). Most of the study so far focused on those outcomes and proved that crisis response strategies will impact all the crises mentioned above (Choi & Chung, 2013; Coombs & Holladay, 2008; Liu, et al., 2011). However, Hosseinali-Mirza, et al. (2015) argued that when the crisis happens, it is can also cause secondary impact such as call for boycott. Earlier, there was not much research that focuses on how crisis response strategies suggested by SCCT can impact boycotting intention. According to Muhamad, et al. (2013), choosing the right strategy is crucial for organization in facing boycott, as each strategy tends to uniquely affect consumers’ motivation to participate in boycott. Other than that, public action of boycotting the organization is crucial to deal with since it may lead to the company’s
questionable reputational integrity/trust furthermore causing damage to the image and reputation carried by the organization (Shuib & Zainudin, 2015).

Therefore, this article will conceptually propose the conceptual framework of the impact of the crisis response strategies towards the Halal organization image and boycotting intention among Halal food consumer for Halal food crisis.

2. Literature Review

2.1 Crisis Response Strategy

When the crisis hits the organization, communication is vital between the organization and the stakeholder for the purpose of managing the impact of the crisis (Coombs, 1999). Therefore, Coombs and Holladay (2011) emphasize crisis communication as the crisis response that includes a strategic application of communication to the crisis event. According to Coombs (2015), the effectiveness of the strategic communication approach to crisis communication is determined by the crisis response strategies.

Thus, Coombs (2007a) defines crisis response strategy as what an organization says and does after a crisis in which according to Brown and Ki (2013), it involves a specific frame that the organization used to respond to the crisis. Additionally, Coombs (2014) mentions that crisis response strategy is also refer to the options that organization has available to them when responding to a crisis and Coombs (2015) pointed out that it is primarily about managing meaning that include the effects it is intended to have upon stakeholder perceptions of the crisis.

Hence, Coombs Situational Crisis Communication Theory (SCCT) has been acknowledged by many research as the guideline to choose crisis response strategy (Coombs & Holladay, 2008; Choi & Chung, 2013; Kiambi & Shafer. 2015; Roh, 2017). To protect an organization's reputation and image, SCCT presents variables, assumptions, and relationships to consider in choosing crisis response strategies (Coombs & Holladay, 2002). Research done by Coombs (2007a; 2015) confirmed that SCCT offers four types of crisis response strategy; 1) Deny crisis response strategy; 2) Diminish/Reducing offensiveness crisis response strategy; 3) Rebuilt/Redress crisis response strategy and 4) Bolstering crisis response strategy.

Coombs (2015) explain that Deny crisis response strategy seeks to get rid any connection that exists between the organization and the crisis in which the aim is establishing no responsibility. Next for the Diminish/Reducing offensiveness crisis response strategy, the
organization is required to at least bear some responsibility on the crisis but with the statement that they have limited control about the crisis occurred followed with the claim that the crisis is not that bad. For the Rebuilt/Redress crisis response strategy, it puts the victim concern on the top to ensure the engagement is always positive in action and able to get rid the negatives from the crisis. Lastly is Bolstering crisis response strategy in which this strategy aims to provide positive information to the crisis to help eliminate negative information caused by the crisis.

Therefore, Coombs (2006) also emphasized the importance of a SCCT crisis response guideline for maximizing reputational protection and recognizes that a crisis response is more than an attempt to protect an organization's image. Other than that, the study by Roeder (2015) asserts that SCCT is a valuable guide for the organization to determine which strategy should be utilized and which should be avoided during the crisis management process.

Hence, according to Coombs & Holladay (1996), to determine the suitable crisis response strategy to be used by the organization, organization needs to put into consideration on the attributions of the crisis responsibility in which it can be determine by locating a crisis on the continuum responsibility. Subsequently, Research done by Kiambi and Shafer (2015) also show that the attributions of crisis responsibility outcomes will impact the crisis response strategies that are used by the organization.

2.2 Organization Crisis Responsibility

When a crisis occurred, organization can choose whether to avoid any responsibility or to accept full responsibility of the crisis (Coombs, 2006). However, since crisis has always been seen as a negative event, it will automatically lead stakeholders to assess organization crisis responsibility (Coombs, 2007a). According to Coombs (1995; 2004; 2006), crisis responsibility represents how much the responsibility that stakeholder attribute on the organization for the crisis to occur. It involves the observation and measurement of the amount of responsibility and blame placed on the organization for causing the crisis (Brown & Ki, 2013). The concept of crisis responsibility comes from the attribution theory, which states that the more people ascribe a terrible event to an organisation, the more unfavourable they are toward it. (Coombs, 2015).

According to the expert of Attribution Theory, Weiner (1986), the interpretation of individual on events is mainly based on how they are related to their thinking and behaviour. Therefore, they try to understand why another person did something and they will attribute one or more causes to that behaviour. With regards to this, Coombs (2004) explain that Attribution Theory
holds that people will make judgments about the causes of events, especially unexpected events with negative outcomes. Hence, in term of the crisis event, it is exactly will trigger stakeholder attributions about the cause of the crisis and this will usually hold the organization responsibility of the crisis. Therefore, Laufer and Coombs (2006) found that Attribution Theory has established itself as an effective tool for predicting stakeholder responses to crises since when the crisis occur, people attempt to seeks the explanation from the organization of what and why it occurred (Yum & Jeong, 2015).

Therefore, Coombs (2007a) categorizes organization crisis responsibility into three categories of attribution which are i) Very little attribution of crisis responsibility; ii) minimal attribution of crisis responsibility; and iii) strong attribution of crisis responsibility. Research done by Coombs (2006) found that stakeholders will attribute different amounts of crisis responsibility to the various crisis types. Not only that, but Borden (2016) also in his research identified that attribution is significantly affected by the nationality of the crisis-affected company. The results of research done by Mishra (2017) also supports the hypothesis that stakeholder attitude and their level of nationalism are also the factors that will affect the level of responsibility attributed to the organization for the crisis and finally influence the actions taken by them.

2.3 Crisis Outcomes

Outcome variables are important to be understood since they are the effects of crisis communication in which they represent the different factors that crisis communication response strategy can influence, and reflects to manage meaning (Coombs, 2015). Out of various outcomes of the crisis, this study will focus on the outcomes of image damage and boycotting intention.

2.3.1 Organization image

In today’s sensitive business milieu, an organization’s ultimate chance of survival is to develop a positive image and a favourable reputation in its environment (Azoury, et al., 2014). According to Lievens (2017), organizational image can be referred as people’s global impressions of an organization in which it is people’s loose structures of knowledge and beliefs about an organization that involve cognitive reactions and associations of organization’s stakeholder to an organization’s name.

Lievens (2017), explains that organizational image is closely related to other constructs, such as organizational reputation in which reputation entails an affective component (a loose set
of feelings associated with an organization), whereas image is mainly cognitively oriented (a loose set of knowledge and beliefs about an organization). Therefore, they deal with stakeholder views and feelings towards the organization. Other than that, research done by Massey (2015) found that, The Analogous Approach treats organizational reputation and organizational image as identical. In the same way, Benoit, and Pang (2007) when study on the organization image, they combine the reputation in which they explain that image or reputation is subjective because it arises from the information held by people about the organization from the words and deeds of the organization and what others say and do about the organization.

Therefore, organization should select a crisis response strategy that is appropriate for potential image and reputational damage a crisis may inflict. The stronger the potential image and reputational damage, the more the crisis response strategy must try to accommodate the people involves in the crisis (Coombs & Holladay, 2002). This is because when crisis occur in the organization, it will threaten to damage image and reputation as crisis gives people reasons to think badly of the organization. Hence, stakeholders compare what they know about an organization to some standard to determine whether an organization meets their expectations for how an organization should behave during the crisis (Coombs, 2007a). Complementary to this, research done by Coombs (2015) demonstrated that image and reputation repair seeks to reduce the negative effects a crisis has on the organization’s image and reputation and other related assets.

2.3.2 Boycott intention

Understanding intention of boycotting by the stakeholders has become an important issue for organization since it requires organization to formulate strategies that attempt to address such behaviour (Farah & Newman, 2010). According to Abosag and Farah (2014), organization needs to understand that the best way to protect image and reputation of the organization is by also managing the boycott altogether. Research done by Mohamed and Mohd Daud (2012) have found that in the twentieth and twenty-first centuries, there have been several boycotts by several entities such as consumer groups, governments, and NGOs. The number numbers of boycott have increased year by year as boycott organizations become more sophisticated in implementing their protest activity.

According to Swimberghe, et al. (2011), the major variable of consumer’s intention to boycott the organization is from their evaluation towards the organization’s actions and follow by the ethical judgment. Research done by Abosag and Farah (2014) found that boycotting activities are likely to weaken consumer perception on the organization that
resulting in a negative image and negative evaluation about the organization held by the boycotters. Therefore, organization is urged to deploy suitable strategies to curb the intention to boycott and possible harm to the organization that not only will help the brand in crisis, at the same time to fulfil other interests of stakeholder (Muhamad, et al., 2013).

Based on research done by Paula, et al., (2016) in O Boticário’s case, they affirm that religion and sexual are the factors that can influence the boycott intention. Similarly, research done by Swimberghe, et al. (2011) also found religion as a crucial factor that can influence customers to express their dissatisfaction towards the organization through an increase in complaint behaviour and boycott participation. In addition, Muhamad, et al. (2013) agreed that religious issues can make consumers to be more sympathetic to boycott goods that not in accordance with religious teachings context.

Likewise, research done by Abosag and Farah (2014) on case of Arla Foods in Saudi Arabia also proposed that religion will motivate the consumer to involve in boycotting the organization and it is significantly impacting the way consumers perceive the organization, which ultimately influences the way consumers judge the organization. Other than that, it has been found that the more religiously committed consumers will tend to form greater intention to participate in religious boycott and consumers who are intrinsically or internally motivated in following religious teachings will have greater intention to participate in religious boycott (Muhamad, et al., 2013).

2.4 Crisis Response Strategy as The Mediator Between Organization Crisis Responsibility and The Outcomes of The Halal Food Crisis

Crisis responsibility has played as a function of detector in identifies the emerging of image and reputation damage in the organization (Kiambi & Shafer, 2015). Research done by Coombs (2004) found that organization crisis responsibility that attribute by stakeholder during the crisis is directly related to the image and reputational threat. According to Coombs and Holladay (1996), the more public attribute responsibility for the crisis to the organization, the greater the risk should be of image and reputational damage.

Furthermore, the correlation results in Coombs (2004) research indicate that the reputational threat of a crisis increase as attributions of crisis responsibility increase thus, this supports the core component of SSCT that emphasize on the relationship exist between crisis responsibility and organization image and reputation. In addition, Park and Reber (2011) claims that, even though stakeholder has favourable relationship with the organization, they are still tend to blame the organization for unsuccessfully handling potential course of crisis
and attribute responsibility to the organization because they are hoping the organization to take actions to reduce the uncertainty of the situation and control problems related to the crisis.

Even though, research done by Kim (2014) argues that even stakeholder attributes high level of organization crisis responsibility; they would not necessarily perceive a negative image and reputation of the organization because finding shows that rebuilding strategy has successful protecting the image and reputation of the organization but Farah and Newman (2010) emphasized that in the crisis that intersect with religion, stakeholder especially the Muslim group believe that it is essential for them to take action of this crisis thus they express this via attributed the responsibility towards the choices that they have (organization) and this make them tend to build their intention to participate in a boycotting the organization (Paula, et al., 2016).

Therefore, to mitigate the affective feelings generated by the attributions and altering the attributions themselves, the use of appropriate crisis response strategies can help to lessen the impact on image and reputation damage (Coombs & Holladay, 1996). Hence, Coombs and Holladay (2002) suggested that after assessing the level of crisis responsibility, organization then choose a crisis response strategy that appropriate to the level of crisis responsibility attributed by the stakeholder. Finding from Dean (2004) demonstrates that in the absence of any strategy to combat a crisis by the organization, crisis responsibility that attributed by the consumer will lead it to the negative outcomes of the crisis.

Hence, specifically in the dealing with product harm crisis, Laufer and Coombs (2006) found that, organization will indicate the degree to which consumers will attribute blame to the company for the crisis. After analysing these cues, the organization can choose the response strategy that best fits the level of blame attributed to the organization to manage the image and reputation of the organization and other outcomes such as intention to boycott the organization.

Thus, crisis communication strategy is the symbolic resources organization employ to protecting or repairing the organizational image and reputation (Coombs, 1998). Not only that, choosing the right strategy is also crucial for the organization in facing boycott, as each strategy tend to uniquely affect consumers’ motivation to participate in a boycotting the organization (Muhamad, et al., 2013).

Therefore, this research conceptually proposed that the crisis responsibility to become an independent variable that will be impacted image of the organization and boycotting intention
as the dependent variables, and this will be influenced by crisis response strategy chosen by the organization as the mediator in the proposed conceptual framework.

2.5 Consumer Demographic (Religion) As the Moderator Between Organization Crisis Responsibility and Crisis Response Strategy on The Outcomes of The Halal Food Crisis

Different crisis types will differently influence how much crisis responsibility ascribes by the stakeholder to the organization (Coombs, 2004). Regarding this, research done by Coombs & Holladay (2002) explain that by identifying the crisis type, it enables organization to have an initial assessment of the amount of crisis responsibility that stakeholder will attribute to a crisis. Additionally, by identifying crisis type, crisis responsibility will be determined, and initial reputational damage can be assessed (Coombs, 2006) and this will also influence the communicative choices by the organization (Coombs, 1998).

Finding from research done by Lai, et al. (2015) showed support on this in which they found that, different product harm crisis type; accidents (impersonal product-harm crises), intentional incidents (personal product-harm crises) have led to the different attribution of organization crisis responsibility by the consumer, and they automatically attribute responsibility when they are faced with defective or dangerous product. Therefore, based on the research done by Goby and Nickerson (2015), religious perceptions play an important role in the conceptualization of product harm crisis type in the Muslims countries such as Halal food harm crisis. This is because consumer is sensitive to the threat of contamination that related with religious aspect and much media attention has focused on incidents in which non-halal items were provided to Muslims consumer.

In addition, research done by Abdul et al., (2009) also confirm that, there is a significant relationship between respondents ‘religion and their perceptions towards halal issues. According to Farah and Newman (2010), Muslims' social and cultural beliefs promote closer and stronger relational ties among family relatives, and the surrounding Muslim community than other religious groups in the country thus they found that, Muslim has the higher contribution of subjective norms in the prediction of their behaviour. Not only that, Swimberghe, et al., (2011) also stress on religion as the factor that has been seen affect the consumer behaviour. Research done by Abosag and Farah (2014) confirm that religion undoubtedly influences consumer behaviour in which religiously motivated boycotting significantly impacts the way consumers perceive the image of the organization.
Therefore, this study conceptually proposed that the religion as the moderator between organization crisis responsibility and crisis response strategy on the outcomes of the Halal food crisis.

3. Proposed Conceptual Frameworks

Based on the previous discussions and literature reviews, the proposed conceptual framework of this present paper, shown in Figure 1. The proposed conceptual framework developed by extending the theory of SCCT to identify the effective crisis response strategies that preferred by halal food consumer to manage the outcomes of the Halal food crisis based on the level of organization crisis responsibility perceived by them. Hence in this proposed conceptual framework, the effectiveness of crisis response strategies will mediate the attribution of organization crisis responsibility perceived by halal food consumer on organization image and boycotting intention, while the relationship between organization crisis responsibility and crisis response strategies will be moderated by consumer religion.

In relation to above, this research is sought to provide insights into how much the level of organization crisis responsibility perceived by the consumer before any crisis response strategy been employed by the organization when Halal food harm crisis occur. Much of the past research focus on the assessing the level of the organization crisis responsibility after the implementation of certain crisis response strategy without realizing that, for Halal food harm crisis, once it occurs, without delay, the responsibility of the organization towards the crisis has been attributed and this will influence their acceptance and preference of the crisis response strategy that will be used by the organization.
4. Conclusion

In conclusion, the proposed conceptual framework in this study is hoped to help the organization in making informed on the suitable crisis response strategies that can be used to accommodate the level of organization crisis responsibility attributed by the halal food consumer to reduce the negative impact of the crisis that involves image damage and boycotting the organization.

Additionally, this proposed conceptual framework also will be able to further enrich organization understanding on the impact of crisis type and consumer background (religion) towards the attribution of crisis responsibility on the organization perceived by the consumer that will influence the effectiveness of the crisis response strategies used by the organization to protect organization image and boycotting intention.

Equally important, this proposed conceptual framework also will be able to contribute to the field of crisis communication by offering support on the existing theories of SCCT that helps organization understand their option in dealing with crisis to protect image of the organization and manage the intention of boycotting the organization. Nonetheless, this proposed conceptual framework also will be able to further emphasize on the improvement of SCCT by adding other components that can influence the relationship between attribution of crisis responsibility on the organization and the effectiveness of crisis response strategies use by the organization to protect the reputation of the organization and manage intention of boycotting the organization by the customer.

Conflicts of Interest: The authors declare no conflict of interest in this work.

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